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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Health Care Financing Administration
Washington, D. C. 20201

INFORMATION MEMORANDUM
HCFA-IM-78-32 (MMB)
June 22, 1978

TO: STATE AGENCIES ADMINISTERING MEDICAL ASSISTANCE PROGRAMS

SUBJECT: Title XIX, Social Security Act: The Release of Confidential Information for Administrative Purposes - Definition of Administrative Purposes

REGULATION REFERENCE: 45 CFR 205.50(a),(b)

INFORMATION: Public law (Section 1902(a)(7) of the Social Security Act) and program regulations (45 CFR 205.50(a),(b)) prohibit the use or disclosure of information, including lists of names and addresses, concerning applicants and recipients of Medicaid services, without informed consent, except for purposes directly connected with the administration of the program. The purpose of this memorandum is to emphasize program requirements for safeguarding this information and to respond to requests for clarification of what constitutes "administration of the program."

For purposes of complying with the law and program regulations, "administration of the program" encompasses those administrative activities and responsibilities which States are required to engage in to ensure effective program operation. Such activities include determining eligibility and methods of reimbursement, processing claims, conducting fair hearings, arranging for interagency agreements, ensuring the availability of transportation, conducting outreach, and similar activities. Since Medicaid is not involved in providing medical services, the provision of such services is not considered to be

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directly connected with the administration of the program. Consequently, service providers are not considered to be directly connected with the administration of the program and are not entitled to confidential information, including lists of names and addresses of Medicaid recipients, without informed consent.

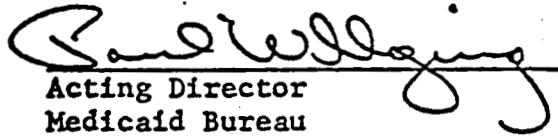
A State agency may conduct all of the above stated administrative activities itself or it may contract out some of them to other agencies. In the latter case, these contractors are considered to be acting as an extension or arm of the State agency in exercising its administrative responsibilities and confidential information may be released to them without informed consent. However, these contracting agencies are bound by the same standards of confidentiality as the State agency and they must provide effective safeguards to ensure the information remains confidential.

In some instances a State Medicaid agency may formally contract out some of its administrative responsibilities to agencies which also function as service providers. For example, Title V may have a formal contract to do outreach for the State Medicaid agency while at the same time it provides services to EPSDT children. In such cases the Title V agency cannot share the information it secured for the Medicaid agency with its component that provides services to EPSDT children.

Because of its sensitivity and importance, State plans and interagency agreements, must address this issue clearly and in as much detail as possible; roles and responsibilities should be delineated and safeguards defined. Cooperation

by participating agencies is essential to ensure compliance with the law and program regulations.

INQUIRIES TO: Acting Regional Medicaid Directors


Acting Director
Medicaid Bureau

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
HEALTH CARE FINANCING ADMINISTRATION
WASHINGTON, D.C. 20201

ACTION TRANSMITTAL
HCFA-AT-78-2 (MMB)
January 13, 1978

TO: STATE AGENCIES ADMINISTERING MEDICAL ASSISTANCE PROGRAMS

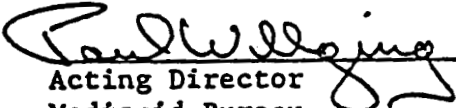
SUBJECT: MMB Medical Assistance Manual: Interrelations with State Health and Vocational Rehabilitation Agencies, with Title V Grantees and with other Providers

REGULATION REFERENCE: 42 CFR 451.10

ATTACHMENT: Revised Part 5 (Section 5-40-00) of the Medical Assistance Manual describing Interagency Relationships with State Health and Vocational Rehabilitation Agencies, with Title V Grantees and with other Providers.

MANUAL MAINTENANCE: Replace the current Part 5, Section 5-40-00 (originally issued as 5-30-00) with the attached revision.

INQUIRIES TO: Acting Regional Medicaid Directors


Acting Director
Medicaid Bureau

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MEDICAID INTERAGENCY RELATIONSHIPS

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**Medical
Assistance
Manual**

Part 5 Services and Payments in Medical Assistance Programs

5-40-00 Interrelations with State Health and Vocational
Rehabilitation Agencies, with Title V Grantees and with
other Providers

5-40-10 Legal Background and Authority

A. Title XIX of the Social Security Act, as amended,
Section 1902(a)(11)(A) and (B), and 1902(a)(20)(A),
1902(a)(22)(C)

B. 42 CFR 451.10

5-40-20 Implementation of Regulations

A. Purpose

Provision of medical care to the population eligible for medical assistance requires the participation of a majority of providers of medical services throughout the State. Medicaid must look to individual practitioners and to a variety of official and voluntary health agencies if services are to be available to all beneficiaries. To help assure availability to this population, many of whom have been medically underserved, title XIX, from its inception, has required the State agency to develop cooperative arrangements with the State health and vocational rehabilitation agencies.

The purposes of this guide are to:

- demonstrate the increasing emphasis which Federal, State and local agencies are giving to cooperation and collaboration in providing health services to individuals eligible for Medicaid services;

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January 1978

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Part 5 Services and Payments in Medical Assistance Programs

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- emphasize the necessity of joint planning and decision-making among Federally-assisted health programs so that funds may be put to the best use in providing health services to Medicaid beneficiaries;
- present the essentials for Medicaid agency cooperative arrangements with other health, vocational rehabilitation and welfare programs;
- provide prototype information as to the scope and content of approvable inter-agency agreements;
- provide clearer answers to questions many State agencies have asked regarding cooperative arrangements; and
- provide a vehicle for better program management and evaluation of the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program.

These guidelines relate primarily to 42 CFR 451.10, concerned with relationships between Medicaid and State health, vocational rehabilitation, and Federally-funded health programs for women and children under title V of the Social Security Act. However, the principles and procedures in interagency cooperation are similarly applicable to the Medicaid agency's relationships with other health and social service

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agencies and organizations. Under Section 1902(a)(20)(A), the Medicaid agency must have an agreement with the State mental health authorities or individual mental institutions if the State Medicaid plan includes assistance to aged individuals in institutions for mental disease. Therefore, these guidelines cover relationships with a variety of Federally-assisted programs.

The guidelines also cover related issues, including: payment by Medicaid for services available without charge; Medicaid as a residual program; use of other medical services to which recipients have entitlement; freedom of choice of qualified provider; confidentiality; 75% matching for cost of skilled medical personnel; and transportation.

B. Background

When title XIX was enacted in 1965, it included a requirement for development of cooperative arrangements with State health and medical care agencies. Initially these were the State health department and the vocational rehabilitation agency and, when appropriate, the State mental health authority.

The 1967 amendments to the Social Security Act made the relationship between title V and Medicaid more explicit. Section 1902(a)(11) was revised to include a provision for Medicaid agreements with any "agency, institution, or organization" furnishing health services under title V. It also required provisions, as appropriate, for reimbursement of title V agencies

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by title XIX for services provided to Medicaid recipients. Section 513(c) of title V of the Act requires title V grantees to cooperate with the State Medicaid agencies in providing title V care and services to Medicaid eligibles.

42 CFR 449.10(a)(3)(i)-(iii) specifies State plan requirements for EPSDT services under Medicaid. They include: (1) the identification of available title V screening, diagnostic, and treatment facilities and services; (2) procedures to assure maximum utilization of these facilities and services; and (3) procedures for assuring that Medicaid recipients eligible for title V services are informed of such services and are so referred. All State Medicaid agencies have designated an individual or a unit to be specifically responsible for the administration of the EPSDT program.

C. Medicaid Relationships with the State Health Agency

State Medicaid plans must provide for maximum utilization of the services of State health agencies.

Effective implementation of Medicaid requires a close working relationship between the State health agency and the Medicaid agency.

Many programs of public health agencies can be helpful in meeting the needs of Medicaid recipients, for example:

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- State and local health departments use maternal and child health funds to provide services in maternity clinics, child health clinics and immunization clinics. Some departments have dental programs, family planning services, mental health services and mental retardation clinics.
- Specialized public health staff can often assist the Medicaid agency in interpreting health services to recipients; in helping them use medical facilities; in follow-up; and in training welfare department staff on health problems, resources and care. Health agency staff resources include physicians, physician extenders, public health nurses, nutritionists, social workers and health educators.
- Other health department responsibilities that are related to the Medicaid program are comprehensive health planning and standard setting for health facilities and medical institutions. Because of the direct health services it provides and its responsibilities for State-wide planning, the State health agency must be represented on the Medical Care Advisory Committee of the Medicaid agency, where the health department is not itself the Medicaid agency (42 CFR 446.10).
- The 1972 amendments to the Social Security Act amended section 1902(a)(9) of the Act to spell out new roles for the State health agency or other appropriate State medical agency in ---